Government of Saskatchewan

Annual Report 1986

Saskatchewan Horse Racing Commission

Saskatchewan

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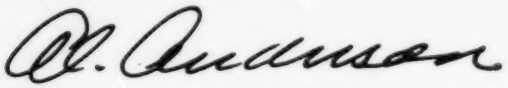
The Honourable Grant Devine
Minister of Agriculture
Province of Saskatchewan

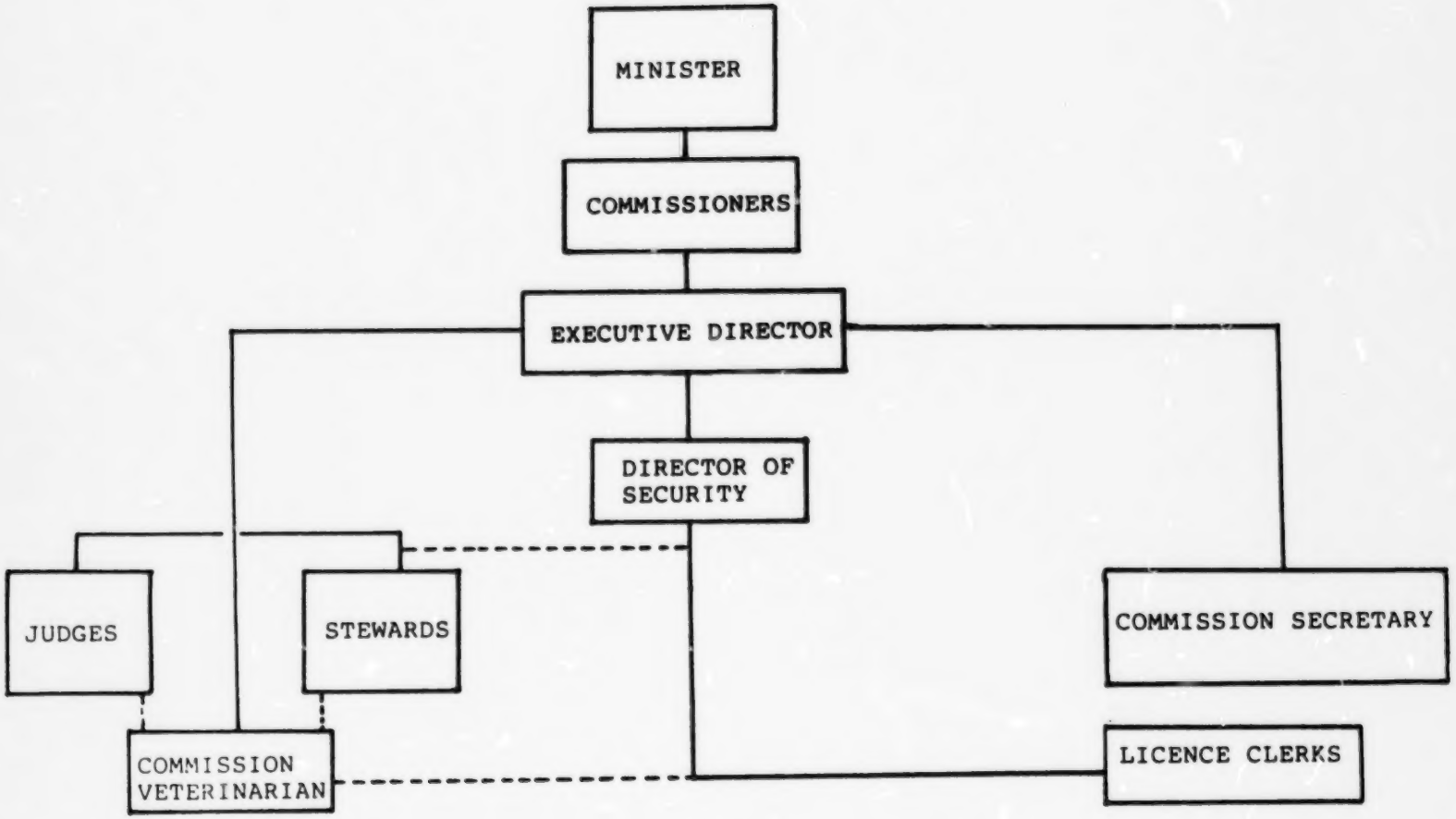
Sir:

Presented herewith is the Third Annual Report of the Saskatchewan Horse Racing Commission for the twelve months ending December 31, 1986.

Respectfully submitted,



Al Anderson, Chairman
Saskatchewan Horse Racing Commission


MINISTER
COMMISSIONERS
EXECUTIVE DIRECTOR
DIRECTOR OF SECURITY
JUDGES
STEWARDS
COMMISSION SECRETARY
COMMISSION VETERINARIAN
LICENCE CLERKS

CHAIRMAN'S REPORT - 1986

It is a pleasure to present this report on behalf of the Saskatchewan Horse Racing Commission.

Separate Pool Wagering was introduced on a permanent basis this year and it would appear from early results, that this form of wagering will be well received by racing patrons. The income generated by Separate Pool Wagering will play a significant role in the continuing development of racing in our province.

Sunday Racing was first offered to Saskatchewan racing fans by Moose Jaw Exhibition Co. Ltd. during their August meet and later in the season by Saskatoon Prairieland Exhibition Corp. The entire industry was excited about the results as both associations reported record attendance and record handles.

Interest in racing at rural centers strengthened and the number of days raced increased by 40%. The operators in these centers are optimistic that this growth trend will continue.

While this past year has been a difficult year for both tracks and horsemen, we can be encouraged by the "New Directions" taken, by Regina's new racing facility which will open in June 1987, and by a new spirit of enthusiasm and cooperation.

Al Anderson, Chairman
Saskatchewan Horse Racing
Commission

The Saskatchewan Horse Racing Commission operates under the authority of The Horse Racing Commission Act. The objectives of the Horse Racing Commission are to direct and regulate horse racing in Saskatchewan in any or all of its forms. A primary objective of the Commission is to maintain the integrity of horse racing in the province.

The Commission performs a number of regulatory functions. The principle functions are:

- approving race dates
- licensing all people involved in horse racing
- supervising horse racing in the province
- assisting in the development of horse racing in Saskatchewan
- hearing appeals on Judges' and Stewards' rulings
- approving Separate Pool Wagering days.

The Commission is comprised of five individuals who are appointed for a period of five years. The Chairman is Alton B. Anderson, Saskatoon and E. Robert Stromberg, Q.C. of Saskatoon is Vice-Chairman. The other Commissioners are Bonnie J. Eiserman, Maple Creek; Andrew T. Paterson, Regina, and Wayne Steadman, Regina.

The Commission employed three full-time employees in 1986: Leary Claypool, Executive Director; Ken Jamont, Director of Security, and Brenda Cowley, Secretary. The Commission also employed three standardbred Judges, three thoroughbred Stewards, three licensing Clerks, one Steward/Judge trainee, and two Veterinarians for the racing season.

During the year under review, the Commission met sixteen times, had five conference calls and heard twelve appeals of the Judges' and Stewards' rulings. Of these rulings, five were denied, five were allowed, and two had the penalties modified.

The Commission in 1986 issued 1551 licenses for thoroughbred racing, 985 for standardbred racing, 248 for quarter horse and appaloosa racing and 568 in miscellaneous categories.

In 1986, there was a total of 175 race dates and 1642 races with a total pari-mutuel handle of $12,454,421, Separate Pool Wagering of $2,800,145 and purse money totalling $1,797,347. Total attendance was 130,974 people.

During the standardbred meet, 122 rulings were issued. There were 94 rulings issued during the thoroughbred season.

The Ten-Day Rule was waived once under the Horse Racing Regulation Act, Chapter H(7), Section 4.

GRANTS MADE BY THE SASKATCHEWAN HORSE RACING COMMISSION TO THE HORSE RACING INDUSTRY

GRANTS	
Saskatoon Prairieland Exhibition	$424,533.13
Regina Exhibition Association	203,397.76
Lloydminster Agricultural Exhibition Association	3,417.92
Moose Jaw Exhibition Co. Ltd.	29,508.56
Melville & District Agricultural Park	4,127.84
Yorkton Agricultural & Ind. Exhibition Association	6,541.28
1% Thoroughbred Breeders	76,905.61
Western College of Veterinary Medicine	9,500.00
Horse Racing Industry Seminar	1,173.53
SPONSORSHIP PROGRAM	
Saskatoon Prairieland Exhibition	54,250.00
Regina Exhibition Association	16,500.00
Moose Jaw Exhibition	3,000.00
TOTAL	$832,855.63

TABLE ONE: RACING STATISTICS BY LOCATION

	Attendance	No. of Races Run	No. of Days Held	Purses Distributed	Pari-mutuel Bets
Lloydminster	1,194	16	2	8,650	21,362
Melville	1,719	24	3	12,050	25,799
Moose Jaw	5,993	161	18	81,458	330,168
Regina	35,249	410	46	554,876	3,797,644
Saskatoon	85,544	1,007	103	1,119,588	8,238,565
Yorkton	1,275	24	3	20,725	40,883
TOTAL	130,974	1,642	175	$1,797,347	$12,454,421

TABLE TWO: RACING STATISTICS BY BREED

	Attendance	No. of Races Run	No. of Days Held	Purses Distributed	Pari-mutuel Bets
Quarter Horse/ Appaloosa	3,986	73	9	36,658	96,517
Standardbred	52,980	810	83	615,897	4,667,343
Thoroughbred	74,008	759	83	1,144,792	7,690,561
TOTAL	130,974	1,642	175	$1,797,347	$12,454,421

TABLE THREE: BREAKDOWN OF PURSES AND PARI-MUTUEL BETS BY LOCATION AND BREED

	PURSES			PARI-MUTUEL BETS		
	Quarter Horse/ Appaloosa	Standard-bred	Thorough-bred	Quarter Horse/ Appaloosa	Standard-bred	Thorough-bred
Lloydminster	8,650	----	----	21,362	----	----
Melville	12,050	----	----	25,799	----	----
Moose Jaw	15,958	65,500	----	49,356	280,812	----
Regina						
Track	----	----	554,876	----	----	3,202,088
Inter-track	----	----	----	----	----	595,556
Saskatoon						
Track	----	529,672	589,916	----	3,502,680	3,053,332
Inter-track	----	----	----	----	842,968	839,585
Yorkton	----	20,725	----	----	40,883	----
TOTAL	$36,658	$615,897	$1,144,792	$96,517	$4,667,343	$7,690,561

TABLE FOUR: SEPARATE POOL PARI-MUTUEL BETS BY BREED AND TRACK

	Quarter Horse Appaloosa	Standard-bred	Thorough-bred
SASKATOON			
In Season - Not taxed	----	4,488	----
Taxed	----	18,807	85,625
Off Season - Not taxed	----	455,803	----
Taxed	----	433,072	----
REGINA			
In Season - Not taxed	----	----	24,440
Taxed	----	----	9,718
Off Season - Not taxed	----	1,079,392	----
Taxed	----	688,800	----
TOTAL	----	$2,680,362	$119,783

SASKATCHEWAN HORSE RACING COMMISSION

FINANCIAL STATEMENTS

Year Ended December 31, 1986

OFFICE OF THE PROVINCIAL AUDITOR

REGINA, SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Saskatchewan Horse Racing Commission as at December 31, 1986 and the statements of revenue and expenditure, operating surplus and changes in cash position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1986 and the results of its operations and changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

W.G. Lutz, F.C.A.,
Provincial Auditor.

Regina, Saskatchewan
April 30, 1987.

Statement 1

SASKATCHEWAN HORSE RACING COMMISSION

BALANCE SHEET

As at December 31

	1986	1985
ASSETS		
Current		
Cash	$ 200	$ 250
Term deposits at cost	148,072	191,517
Accounts receivable	12,961	12,291
Prepaid expense	1,505	1,404
	162,738	205,462
Furniture and equipment	10,127	9,615
	$172,865	$215,077
LIABILITIES AND EQUITY		
Current		
Bank overdraft	$ 5,863	$ 534
Accounts payable	13,243	5,070
	19,106	5,604
Equity		
Operating surplus - (Statement 3)	143,632	199,858
Fixed assets	10,127	9,615
	153,759	209,473
	$172,865	$215,077

(See accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF REVENUE AND EXPENDITURE

For the Year Ended December 31

	1986	1985
Revenue		
Province of Saskatchewan grants	$1,256,847	$1,460,766
Licenses and assessments	28,388	48,402
Interest	32,305	22,418
Fines	8,021	10,602
Other revenue	199	9,520
Total revenue	1,325,760	1,551,708
Expenditure		
Administration		
Salaries and benefits	273,720	276,511
Professional services	38,977	47,361
Commissioners' expenses (Note 4)	30,875	23,533
Automobile and travel	21,232	24,367
Supplies	7,206	18,544
Sundry	46,778	44,080
Purchase of fixed assets	512	6,286
	419,300	440,682
Grants	832,856	945,791
Security expenditures	116,840	125,866
Appeals expense (Note 4)	7,577	9,618
Donations	-	10,000
Other	5,413	13,769
	962,686	1,105,044
Total expenditure	1,381,986	1,545,726
Excess of (expenditure over revenue) revenue over expenditure (Statement 3)	$ (56,226)	$ 5,982

(See accompanying notes to the financial statements)

Statement 3

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF OPERATING SURPLUS

For the Year Ended December 31, 1986

	Unappropriated	Appropriated		
	Operating Surplus	Contingency Reserve	Racing Stabilization Reserve	Total Operating Surplus
Balance, beginning of year	$ -	$ 74,965	$124,893	$199,858
Excess of (expenditure over revenue) - (Statement 2)	(56,226)	-	-	(56,226)
Transfers from reserves in year (Note 3)				
Contingency reserve	50,000	(50,000)	-	-
Racing stabilization reserve	75,000	-	(75,000)	-
	68,774	24,965	49,893	143,632
Appropriations made during the year (Note 3)				
Contingency reserve	(17,194)	17,194	-	-
Racing stabilization reserve	(51,580)	-	51,580	-
Balance, end of year	$ -	$ 42,159	$101,473	$143,632

(See accompanying notes to the financial statements)

Statement 4

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF CHANGES IN CASH POSITION

For the Year Ended December 31, 1986

	1986	1985
Cash provided by		
Operations:		
Excess of (expenditure over revenue) revenue over expenditure	$(56,226)	$ 5,982
Net change in non-cash working capital balances:		
Decrease (increase) in prepaid expenses	(101)	3,298
Decrease (increase) in accounts receivable	(669)	(5,511)
Increase (decrease) in accounts payable	8,172	(108,231)
Total cash (used) by operations	(48,824)	(104,462)
Cash, bank overdraft and term deposits, beginning of year	191,233	295,695
Cash, bank overdraft and term deposits, end of year	$142,409	$ 191,233

(See accompanying notes to the financial statements)

SASKATCHEWAN HORSE RACING COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 1986

1. Significant Accounting Policies

   a) The Saskatchewan Horse Racing Commission utilizes a fund accounting basis wherein fixed asset purchases appear in the statement of revenue and expenditure as an expense. To maintain accountability for fixed assets, it is necessary to record them as a balance sheet asset with a corresponding entry to "Equity in Fixed Assets." As asset purchases and sales appear in the statement of revenue and expenditure, no provision is made for depreciation on fixed assets.

   b) Revenue of the commission includes sums appropriated by the Legislature and received from the Department of Agriculture.

2. Status of Commission

   The Saskatchewan Horse Racing Commission was established by The Horse Racing Commission Act which was proclaimed December 15, 1983. The Commission has the powers to govern, direct, control, regulate and assist the horse racing industry in Saskatchewan.

3. Reserves

   The Commission appropriates the operating surplus as follows:

   i) Contingency Reserve

      The amount appropriated yearly is 25% of the excess of revenue over expenditure for the year adjusted by any transfers to be made from the reserve. The reserve is to be used to make grants to the horse racing industry and to cover any future operating deficits as designated by the Commission and when decided by the Commission.

   ii) Racing Stabilization Reserve

      The amount appropriated yearly is 75% of the excess of revenue over expenditure for the year adjusted by any transfers designated by the Commission to be made from the reserve. The reserve is to be used as a purse supplement as and when decided by the Commission.

4. Commissioner's Remuneration

   Included in Commissioners' expenses and Appeals expense are Commissioners' remuneration of $35,825 (1985 - $31,100) paid to five Commissioners.

5. Related Party Transactions

Included in these financial statements are expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and corporations with which the commission is related.

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